

huge public policy, policy that affects 20, 30, 40, 50 million people at a swipe, not little issues. Sure, there is the museum that goes up in somebody's district, and people get all excited about the pork involved in that kind of thing. Those are not the issues people should be outraged about.

The outrage ought to be about issues like, take the pharmaceutical bill. It comes to the floor. Medicare affects 40 million people. The issue sits on this floor frozen in time for almost 2 hours while the leadership of the majority tries to get the votes. We are told that the voting closes down after 15 minutes, but that issue could go for 2 hours. Where is the outrage in this body?

Mr. Speaker, one Member even suggested he was given a little extra encouragement.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. SKELTON) is recognized for 5 minutes.

(Mr. SKELTON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. FILNER) is recognized for 5 minutes.

(Mr. FILNER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

(Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

#### THE BUDGET AND FISCAL POLICY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Colorado (Mr. TANCREDI) is recognized for 60 minutes as the designee of the majority leader.

Mr. TANCREDI. Mr. Speaker, I cannot think of an issue that has commanded more attention on the floor of this House, and rightly so, probably since its inception, than the issue of the budget, and how much we should be spending, and how much we are going to spend. This year is no different in that regard in that there will be a great deal of attention paid to it and a lot of words expended on it.

I am a member of the Committee on the Budget, and we are beginning that process today to write the budget resolution, that document that we then submit to Congress for its approval and will hopefully become sort of an outline for how we will spend the taxpayers' money in this next fiscal year.

As we embark upon that project, we are given a lot of information to start

our deliberations. I must say the information that we have been given this year, in just the last few days actually, is really quite startling. It prompts certainly me and I think it will prompt many other people to begin perhaps an early discussion of the issue of the budget and what we are in store for when we start looking at some of the implications of our fiscal policy.

There is a friend of mine who is an ex-governor of the State of Colorado, and he is now teaching at the University of Denver in Colorado. He is teaching a class called Hard Choices, Difficult Choices I believe is the name of it. He presents his students with a variety of difficult questions they will have to answer from a public policy standpoint, what would they do if they were in our shoes.

I cannot think of a more difficult task to put before anyone than to come up with the right decision when it comes to how much money we are going to be spending in the next fiscal year, how much money are we going to be taking away from our constituents not just today, but how much debt are we going to be giving our grandchildren and their grandchildren, and millions and millions and millions of Americans yet unborn. It is frightening, it is overwhelming, and I can understand why many Americans, perhaps even some of our colleagues here on the floor, would tend to just let all of this go over their heads saying this is overwhelming stuff, the numbers are so huge, I am just not going to focus on it that much. But I suggest that it is imperative that every single Member and every single citizen focus on these numbers and on the debt we are incurring and on the enormous amount of money we are spending even though we are not taking in the same amount of money in taxes.

Let me preface my remarks by saying I am absolutely convinced that the problem here and that I am going to address in the next few minutes has nothing to do with the possibility that we are not taking enough money away from taxpayers. I believe that the tax rates, especially for folks in the middle- and upper-income tax rates are quite high, significant, and high enough, certainly.

I think a case could be made that we are not taking enough from everyone in the country, every income earner. Some people have suggested that some sort of tax, there ought to be a minimum tax that anybody who makes any money has to pay because then they have a stake in the system. I think there is merit in that discussion, and I would like to have more of it. I think the people who are paying taxes are certainly paying enough taxes. The problem is not on that side of the ledger, as far as I am concerned. The problem is almost entirely on the other side of the ledger, the spending side of the ledger.

The blame can be shared by every single Member, myself included. I do

not stand here as someone who has never voted for a program increase. I certainly have. I have voted almost every time in the 5 years I have been here for the defense appropriations. We recently all had the opportunity to vote for the homeland security appropriations, and I have supported those. I believe, and I still believe, that the primary responsibility of the Federal Government is to protect and defend the people of this country and almost all of the other things that we do are extraneous to that particular purpose.

Surprising as it is to many people, there is, of course, no requirement in the Constitution of the United States that the Federal Government provide funding for the education of children, although it is certainly a laudable goal. There is nothing in the Constitution that requires us to be doing probably 75 percent of what we do. It is not required. We are required to protect and defend, and that is why I have been willing to go along with increases in those budgets. But we have to make some very hard choices, very hard choices for all of us because we are at a point where the case could be made that the budget is out of control.

We are now approaching \$500 billion in deficits for the next fiscal year, and we can no longer think about this as something that we can get under control in the near future, that we can grow our way out of it or tax our way out of it. Those two things I do not believe are legitimate short-term goals.

I certainly believe that the economy can be stimulated by a lot of the actions we have taken, including tax cuts; and I believe we are seeing some of that happen. I think there are a lot of indicators to suggest that the economy is recovering. We are noticing a growth in productivity, we are noticing a growth in manufacturing jobs, a general growth in the economy and economic activity for the third quarter of the last year, which I should say was almost historical, over 8 percent. There are certainly some indicators that would suggest that the economy is getting stimulated and that we are beginning to see a growth even in the jobs category which has been the one that has been the most reluctant and most difficult to actually affect positively by our tax actions.

However, I do not believe that growth will ever be enough to overcome the spending spree this Congress and past Congresses have been on, along with the administration.

Something that was just given to Members not too long ago by the comptroller, and it was put out by the U.S. Accounting Office and the comptroller, is information that I know for a lot of people would be pretty darn boring stuff. When discussed, people think it is billions and trillions, what is relevant about it.

□ 1745

Again, I think it is really important for us to understand, Mr. Speaker, that

some significant changes have occurred in spending patterns and habits of this Congress over the last couple of decades. I would actually say over the last, let us say, 40 years. We can condense this into just a very, I think, concise description of the problem.

In 1963, the defense budget of this country was 48 percent. Almost one-half of the total budget of the Nation was spent on the defense of the Nation, 14 percent of the budget was spent on Social Security costs, 7 percent on interest, and 31 percent on all other things. That was in 1963, 40 years ago.

Fast forward to 2003. The total budget for defense was 19 percent. It had fallen from half of what we spend in this Congress to 19 percent for defense. That is our primary responsibility, remember, the thing that we are supposed to do, 19 percent. But the budget for Social Security and Medicare had grown to 41 percent of the budget. Again, interest stayed about the same at 7 percent and all other spending again at 33 percent.

So we see what happened here. We narrowed what we spent significantly, and a lot of people will claim that we are spending too much on the military, a claim that could be made, but just remember it is only 20 percent today as it was almost 50 percent of the total Federal budget 40 years ago.

There is also something that is taking hold here; something that the American people have to understand is that a relatively small part of that budget that we fight about every year is in something we call discretionary programs. Those programs over which we have some control, how much we are going to appropriate every year, is a matter of debate and negotiation, but it has become a very, very small part of the budget.

About a third of the budget actually falls into that category of discretionary spending. Two-thirds is spending on what are called mandatory programs. These are programs where the determination of how much we are going to spend is made by how many people become enrolled, how many people are eligible. That is Social Security, Medicare, and there are several other kinds of programs including certain veterans programs that are in this category of mandatory spending. It is sort of on autopilot.

That has grown enormously over the last couple of decades, now commanding, as I say, two-thirds of the entire budget. And so that when we start talking about how to deal with the problem of the budget and a \$500 billion deficit, it is impossible to talk about this in any meaningful way without addressing the issue of mandatory spending.

Will we actually take that on is the question everybody really has on their minds. Will we have enough guts in this Congress and will the administration propose to actually do something about mandatory spending? Because we can talk about freezing the expendi-

tures or reducing the rate of growth to a certain percent for all those things that are not mandatory, and it will have little if any real impact on the overall budget and on that debt that is presently held by the public.

What is the debt, by the way? Debt that is held by the public today is \$3.9 trillion. Add to that the debt of our trust funds like Social Security and that is \$2.9 trillion for a total debt of \$6.8 trillion. How does that figure out? How does that break down per person in this country, every man, woman and child? That is \$24,000 apiece. If we add in everything that is not included in these things we call trust fund debt and public debt, but all the other expenditures that we have in the Congress and that really are just simply debt, but they are just not added for government purposes in the figure above, the burden per person rises to a little over \$100,000.

It goes on to say here in this GAO report that it amounts to a total unfunded burden of about \$30 trillion in current dollars, which is roughly 15 times the current annual Federal budget and three times the current annual GDP.

Okay. Lots of figures, lots of acronyms and pretty darn boring, I guess, to a lot of people, I know certainly to a lot of people. But I hope we can all understand that these hard choices we have to make will affect not just the quality of life of the people that we represent, but the quality of life that we are preparing, if you will, for our grandchildren and their children. It will be a significantly different quality of life unless we do something about this, unless we make some very hard choices this time around.

I had a call just before the House adjourned for the day from a member of the media. It was a call with a question attached to it that I thought might have been a joke actually. I thought somebody was perhaps making a kind of bad attempt at some sort of humor. But I had a call, and there was a question from a reporter at a prestigious newspaper in the Nation. He said that in fact the President's budget, when it comes out here soon, will include, among other things, a significant increase in the National Endowment for the Arts.

I say a joke because, of course, I could not believe that considering everything we have talked about here, considering the state we are in, the economic condition we are in, that we can be talking about significant increases in anything that we do in this Nation, let alone something like the National Endowment for the Arts. The reason why I think that this reporter was calling me is because I have tried year after year to strike funding for the National Endowment for the Arts as a frivolous expenditure and one that could never, I think, be justified based upon what it is that the Federal Government is supposed to be doing here. I have tried to make the case over and

over again that art would survive even if we did not fund it, and that it was there and doing well even before the Federal Government began giving it \$150 million a year, and that there was really no need for Federal involvement in this issue, and that all of the arguments that could be made and were made on the floor during the debate over funding for the arts, they all went to the quality of life people had, to giving people inspiration, to making them feel different about themselves and about the world in which they lived.

They were all really very commendable arguments. They were things that I think all of us would suggest would be good for us as Americans to be so inspired. But the question remains, what business is that of the Federal Government, and that we could make exactly the same case for a national endowment for religion, then we could form a panel and make them presidential appointments, and that we turn over to them the responsibility of distributing \$150 million to various religious activities or religions in the country. Then when somebody asks which ones, we would say, that is up to the board to decide because we believe religion is a good thing and that it provides a quality-of-life experience and that it does inspire people and makes them feel better about the world in which they live.

All those things are certainly true, but, of course, no one would agree, or I think very few people would agree that we actually needed a national endowment for religion. But it is all based on the same premise, that it is an appropriate function of the Federal Government.

Of course, I suggest that it is not and have tried to strike the funding. That is why, as I say, the reporter called me.

But apparently it is not a joke. Apparently that is going to be part of the President's budget. I certainly hope that request is not granted, and I certainly hope that we go far, far beyond that in saying that that is not going to be an indication of just how serious we are about fiscal responsibility, that we are not going to significantly increase the national endowment. We have to do something of major, major proportion in order to actually get a handle on this issue.

Just to give Members an example of how scary things are, we could completely eliminate every single dime of discretionary funding, and we would probably still not be really close to getting to that balanced budget goal we have in the next 5 or so years. We could completely eliminate it, or at least, I should say, we could completely eliminate several major portions of it, including the amount we spend entirely on the military. We could eliminate the entire defense appropriation and not be in balance the next fiscal year. It just goes to show you how difficult the choices are that we are going to have to make. The question is, will we?

Time and time again, I have been involved in discussions, both on and off the floor of the House about this problem, how dramatic it is, how difficult it is going to be to deal with it; and time and time again the forces arrayed against spending are overwhelmed by the forces that are arrayed in favor of spending. Should our folks on the other side of the aisle chastise us for spending too much, which they certainly will, it is important to remember that during the debate on the budget last year that if you added up all of the amendments that were submitted by the minority side for additional spending, it would have approximated \$900 billion of increased spending by amendments that were offered by the other side.

So it is not as though we could look to the Democrats for any leadership in this area. They are being true to form and certainly spending restraint is not their strong suit. But it is not ours either, I must say. Certainly not if we look at the recent history of the Congress and of our spending habits, we have not been all that much better. I am sad to say that. But it is time, all right, to really think about how we are going to address this issue.

And what are the hard choices we are willing to make? Are we actually willing to talk about things like Social Security containment, Medicare and Medicaid containment? Are we willing to talk about even significant reductions in other levels of discretionary spending? I am willing to look at everything. I will tell you right now, including a restraint on the spending in the Federal budget that goes to our defense establishment.

I am concerned about a number of things that have happened recently. I am concerned that when we leave out big chunks of the budget, we make them sacrosanct and say we cannot go after those, we can go after everything else but we cannot go after defense, we cannot go after homeland security, that a lot of things get added to both of those budgets that are sometimes, I think, frivolous; and they get added to protect them from the budget scrutiny that would naturally be there if they were not in the category of defense or homeland security.

I think those budgets will grow astronomically if they are left to be untouched by any sort of action of our Congress, of especially the Committee on the Budget.

I am certainly willing to look at all of those things and to apply some sort of tourniquet on this hemorrhage that we are experiencing that is actually defined as spending. Because it is a spending problem. I want to reiterate that. It is a spending problem. It is not a taxation problem. It is spending.

Remember the old sign that used to hang, I think, at a previous President's election headquarters? It said, "It's the economy, stupid." So every single person answering the phone in his campaign headquarters would have to try

to direct their answer to the question, no matter what the question was, and somehow they would try to deal with the economy or to make that part of the answer so that people would focus on the economy, which was in a slight recession at the time.

We should perhaps put a great big sign around this House, maybe around the outside of the House and the inside of the House both that says, "It's the spending, stupid," because it is the spending that we have to deal with. It is what we must get under control. As I say, I certainly do not speak from a holier-than-thou perspective. I know I have voted for increases in the past on various budget items. I also am saying that the time has come for us all to look very carefully at how we are going to address this very serious issue. There will be some very hard choices.

Mr. Speaker, to tell you the truth, I do not know that we are up to the challenge. I have seen this happen before. There is a great deal of talk at this point in time about the need to do something, but at the point in time when push comes to shove and the rubber meets the road and all those other little things we throw in there to describe a tough situation, we will back away and the forces of spending will overwhelm the forces of moderation in this regard, including the budget process itself.

□ 1800

Everything in this body is built so as to construct an ever-expanding government with ever-greater costs. And I am not suggesting that it is done nefariously, that people are trying to figure out how to sink the government by spending us into oblivion. It is just simply the way the system works, and it is the nature of this Republic that we will represent the interests of our constituents as they are reflected by ever-increasing demands for certain services that the Federal Government does now and gets involved with.

There are so many places to look for budget cuts; however, I want to encourage us to think about all of them; to leave nothing off the table including defense, including homeland security. I certainly for one, as I say, I am willing to look at all constraints because it is absolutely clear that there is no way to say we are going to simply freeze expenditures or we are going to have only a 1 percent increase in expenditures that are in this category nonmandatory, nondefense related, nonhomeland security related.

Do my colleagues know what that comes down to? Squat. There is nothing there, Mr. Speaker. There is just this tiny little bit of the budget that then is eligible to be held in check, and it will do nothing except give us the rhetorical high ground. It will certainly not give us the moral high ground. We will be able to go out and say we froze the budget. We will not add all these other exceptions. We will be able to say that we only allowed a

certain small percentage increase, but will we explain what that increase is in or what that constraint is in? No. We will just talk about it as being part of the budget process because most people frankly do not care.

Most people are confused by these issues and want to turn off the message and certainly the messenger if we are talking about cutting them. But I am hoping that we can all do what needs to be done for the country because the consequences are dire; and as I said earlier, the choices are very hard. But we cannot shirk them. It is our responsibility, and so I hope that we will all undertake that with a most serious attitude because I just do not know how else we will accomplish our goal, Mr. Speaker.

And the public, as I see the polls recently and the concerns being expressed and certainly from the information that we get in our office, the kinds of calls we get, I think that the public is at this point in time ready to say we need to do something even if it affects their favorite program. I guess we will see about that. But we get a lot of information now coming to us from our constituents talking about the budget as being a very serious topic to them and worried about these deficits and worried about our spending, and that is good. I am glad that it is actually getting out there to the point where people are focusing on this because it will take that kind of commitment, it will take a public that is supportive of our efforts to try to cut the budget for us ever to actually get the job done, and it will take talking to the public in terms that we can all understand and explaining to them and to us all, not just the general public but certainly to other Members, the importance of being more fiscally responsible and the dire consequences of huge deficits that go on for year after year after year.

It is not as sexy a topic as many others that we could address, I know; and it is challenging to inspire the Nation to stand behind us as we try to cut spending. That is very difficult. It sounds so much better to stand up and say I want to do X, I want this program. It will solve so many problems. It will cure disease. Let us triple the budget for the NIH, for the National Institutes of Health. And people come into my office all the time with requests to increase funding for the research into particular diseases and searching for solution and a cure, and our heart goes out to them. They bring their children in with them, children afflicted with these horrible diseases; and we want to say yes, absolutely, certainly we will do that. I want to put all the money I can think of into curing this disease so their child will have the possibility of not just a productive life but life itself, and I want to do that. I mean, I certainly am susceptible to the same kinds of siren songs that all the rest of us are.

Again, I am telling the Members I am not immune to the call for spending.

So it is easier to say yes to them. It is easier to say yes to every person that comes into our office asking us for money for a certain project because they can make a great case. As long as I have been here, I can think of few times that I have been confronted by constituency groups or advocacy groups that do not make a good case for whatever it is they are trying to advance. They are, for the most part, I believe, very good people, all motivated by the best of intentions. And so it is so much easier to say to them, okay, I will do my best, yes, I will vote for an increase. And we all do it, and we have all got to reconsider it in light of what is happening in this country and in light of the very stark projections about where we go from here.

And the President needs to do this also. He has to provide the leadership so that we can look to him and the administration for guidance and for the example that he can provide for fiscal constraint. So I am just hoping again that things like that that reporters call to me about the increase in the National Endowment for the Arts are simply trial balloons, as we say around here, and that they put them out just to see if there is any hope and, of course, if they see that there is not, it goes down. I hope that that is the case. I hope he is not serious.

I certainly hope that the President comes to us with a budget more austere than the one I have been hearing about, and I hope those of us on the Committee on the Budget can muster the courage to present a budget resolution to this Congress that is austere, truly austere, that it does not just have the rhetorical flourish of budget freezes or restraints in the rate of growth and that sort of thing, but a true cut in spending because really this is the only way we will actually get to a balanced budget in the foreseeable future, or even if it is not a balanced budget, a more reasonable approach toward solving our fiscal crisis.

So I just want to keep emphasizing I know I am certainly not the purest of the pure on this and cannot come to everybody with a holier-than-thou attitude and say I never voted for an increase in the budget. I do not believe I ever voted for a tax increase. That is certainly true. But I cannot say I have never voted for an increase in the budget. I can tell the Members that there is little that I can think of today that would make me able to cast such a vote now in this budget cycle coming up, and I am going to do everything I can to make sure that the budget resolution that our committee reports is one that we can all be proud of from the standpoint that we can defend it, not just to our constituents but to our own consciences. That is a challenge for all of us.

#### THE FISCAL STATUS OF OUR NATION

The SPEAKER pro tempore (Mr. NEUGEBAUER). Under the Speaker's an-

nounced policy of January 7, 2003, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 60 minutes as the designee of the minority leader.

Mr. CUMMINGS. Mr. Speaker, I rise this evening with my fellow members of the Congressional Black Caucus to address the dire fiscal status of our Nation.

Just this past Monday, the Congressional Budget Office released its annual report on the Federal budget and the economic outlook for the next 10 years. The staggering numbers included in this report should be startling to both Democrats and Republicans alike. More importantly, I want the American people to know that we must address this critical issue.

Mr. Speaker, since the mission and the purpose of the CBO is to be objective in its analysis and in its reporting to Congress, they have no interest in fudging the numbers to look better than they actually are. With that being said, the CBO projected that the government would accumulate \$2.4 trillion in additional debt over the next decade. And as of this moment, the outstanding public debt is well over \$7 trillion and is growing by the moment.

And with that, Mr. Speaker, I yield to the gentleman from Virginia (Mr. SCOTT), one who has spent a phenomenal amount of time on this issue and has been at the forefront in trying to make sure that our tax dollars are spent effectively and efficiently.

Mr. SCOTT of Virginia. Mr. Speaker, I thank the gentleman from Maryland for taking the leadership on this budget.

We have a difficult situation; and rather than use adjectives and slogans, I like to use charts so we can see what is going on year by year. If we look at the budget deficit, and this is the budget without the Social Security and Medicare, which is supposed to be saved for Social Security and Medicare when we need it, this is the deficit year by year. And we see that we have got the Johnson, Nixon, Ford administrations. It dropped a little bit under Nixon-Ford. Under Carter it stayed about the same. People remember that under Reagan and Bush, the first Bush administration, deficits came about. But not enough credit is being given to what happened under the Clinton administration because without a single Republican vote in the House and without a single Republican vote in the Senate, we passed a deficit reduction plan that resulted in not only an elimination of all of that deficit but an actual surplus, a surplus without counting the Social Security and the Medicare surplus. If we count those, it is even higher than that.

Some of the Republicans want to take credit for some of this. And they say in 1994 the Republicans took over Congress; so in 1995 when they were sworn in with the Republican Congress, they ought to get some credit for this. But let us remember history. When they came in, they passed massive tax

cuts, primarily for the wealthy, and President Clinton vetoed those budgets. They passed them again and threatened to close down the government if he did not sign them, and he vetoed them anyway. And they closed down the government, and he vetoed them anyway. Trying to take credit for a budget plan when their plans were vetoed, even with the closure of government, their plans were vetoed; and we were able to maintain this line by vetoing their bills. They cannot get any credit for the green.

□ 1615

However, we do see when President Bush was sworn in, they passed the same kinds of tax cuts, primarily for the wealthy, and what happened? We see what would have happened down here if President Clinton had signed it. We see exactly what would have happened. We have skyrocketing deficits.

Now, this is actually not quite as low as it ought to be. This is a couple of months ago, so it is actually a little worse than this.

The on-budget deficit for this year, the total deficit, the \$477 billion the gentleman mentioned, does not count about \$175 billion in Social Security and Medicare funds that were spent first before you went in debt another \$477 billion. Almost \$650 billion in total on-budget deficit, because we are supposed to be leaving Social Security and Medicare money for Social Security and Medicare.

Let me put these numbers in perspective. If you add up all of the money that we receive from the individual income tax, everybody's individual income tax, the total is less than \$800 billion this year. We are pushing \$700 billion in on-budget deficit. It is just totally out of control. This, I think, shows it.

I do not see how anybody who voted for the red can explain what is going on with the budget without starting off with an apology. And as far as we are concerned, we, the Congressional Black Caucus, voted for the green and against the red. So you cannot blame us for this.

Mr. CUMMINGS. Mr. Speaker, the gentleman just said something that is just so incredible. Let me make sure I heard the gentleman right.

Is the gentleman saying that in the United States, when people go on April 15 and they go through their tax returns and they look at all this money that has been sent to the Federal Government over the last year, taken from their checks every 2 weeks or every month, whatever, the gentleman is saying out of all the people that pay taxes in the United States, it amounts to about \$800 billion?

Mr. SCOTT of Virginia. Less than \$800 billion.

Mr. CUMMINGS. The gentleman is saying when you include the Social Security money—

Mr. SCOTT of Virginia. They had to spend the Social Security and Medicare